

## NET SETTLES FRANCHISE TAX

\$20,000,000 OUT OF \$23,000,000 PAID BY CORPORATIONS.

Metropolitan's Share is \$2,000,000—The net settlement of the franchise tax for the year ending December 31, 1909, has been announced by the Metropolitan Street Railway Company. The net settlement of the franchise tax for the year ending December 31, 1909, has been announced by the Metropolitan Street Railway Company. The net settlement of the franchise tax for the year ending December 31, 1909, has been announced by the Metropolitan Street Railway Company.

By the settlement of the cases now disposed of, \$20,000,000 in taxes has been paid, and the total amount due for the year was only \$3,000,000 more. The reduction was declared to be due to the application of the law by the Metropolitan Street Railway Company, which has been successful in its efforts to secure a reduction in the franchise tax.

The settlement was effected by William N. Cohen, special Deputy Attorney-General in all the franchise tax cases, Corporation Counsel Watson, and his assistant, Curtis A. Peters, in charge of the tax bureau. The first session of the extraordinary term of court in which the cases were heard was held in January, and the settlements have all been brought about since that time.

Receiver Whitridge of the Third Avenue Road has already paid the franchise tax for the road at a compromise figure of \$1,000,000. Receiver George W. Litch of the Second Avenue and Central Park, North and East River roads will accept the same basis of settlement for taxes against his roads.

When the Attorney-General took up the subject he decided that if the Legislature enacted a law transferring all the cases to the Supreme Court, the franchise tax law, which was finally affirmed in the Supreme Court of the United States, would be a new question, and while the State Board of Tax Commissioners were proceeding without the advantage of previous court decisions to guide them, the corporations were fighting the taxes all over the State.

Major Gaynor, Comptroller Prendergast and Corporation Counsel Watson have had a good deal to do with effecting the settlements, especially as affecting the gas and electric light companies. The Mayor and Comptroller must approve all settlements before they become effective.

Justice Marcus is presiding over an extraordinary term in Brooklyn, and in Westchester, Orange and Rockland counties Justice Morschauser has disposed of more than two hundred cases.

## KANAWHA SUBPENAS.

Many Railroad Men Ordered to Be in Columbus, Ohio, on Thursday.

Testimony will be given before Judge Slater in the United States District Court at Columbus, Ohio, on Thursday, in the suit brought by John S. Stanton and D. H. Gould on behalf of the minority stockholders of the Kanawha and Michigan against the Hocking Valley, the Chesapeake and Ohio and the Lake Shore railroads.

There have been days this year when business has been at a standstill, and they were more than a month ago. The turnover yesterday was less than 200,000 shares.

There has not been a sale of Hocking Valley common or preferred on the Stock Exchange since the road went into the hands of receivers. The bid price of the preferred has, however, broken sharply. Before the injunction restraining the receivers from the sale of the stock was issued, the price of the preferred was \$25.

Frank Trumbull, chairman of the board; George W. Stevens, president, and J. S. McKee, secretary, of the Hocking Valley, and Charles E. Schaff, vice-president, and W. H. Newman, a director, of the Lake Shore, Nicholas Monratt, president of the Chesapeake and Ohio, and Charles Steele, president of the Kanawha and Michigan, were present.

The market for copper metal yesterday was quiet, and prices were steady. The market for copper metal yesterday was quiet, and prices were steady. The market for copper metal yesterday was quiet, and prices were steady.

## FINANCIAL NOTES.

Union N. Bethel, president of the New York Telephone Company, has been elected a director of the Columbia Trust Company.

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## TO FIGHT R. R. RATE ADVANCE.

Organization of Shipping Interests Formed in Chicago.

Chicago, May 17.—A national fight to compel the railroads to reduce freight rates or hold them at their present level was launched in Chicago to-day. Permanent organization was carried out by the campaign was effected by 400 manufacturers and representatives of commercial shipping more than \$100,000,000 worth of freight a year.

Practically every big shipper in Chicago was represented at the conference by the head of the organization. The shipping interests only in the tariff affecting their lines were represented by their secretaries or chairmen.

All stood united to fight the railroads all along the line. The conference was brought about by the Illinois Manufacturers Association and the Chicago Association of Commerce.

Permanent officers were selected by the conference by acclamation. They are: President, John E. Wilder, vice-president, R. F. Spencer, Secretary, John S. B. Lewis, Treasurer, J. H. Wood, and a committee of five.

## GOSSIP OF WALL STREET.

Chesapeake and Ohio was again attacked on the theory that the Hocking Valley receivership might drive the directors from increasing the Chesapeake dividend according to plans formulated before the receivership was adjudged. There was noted one point in the Court's decision that was left out of the previous day's news. The Court said that it was legal for Chesapeake to retain its Hocking stock as an investment, though it could not exercise control over the road. Thus though it would be unusual for a railroad in the hands of a receiver to declare dividends, Chesapeake still seemed to be protected in its investments, and the improbability of dividend declarations by the receivers was at least no greater than was the improbability that a company against which an allegation of insolvency was alleged should go into a receivership.

In the minds of speculators this favorable feature of the situation was offset by the knowledge that Mr. Hawley had planned to increase the Hocking Valley common dividend as soon as the preferred was retired. With the preferred out of the way it would easily have been possible to raise the common rate to 8 or 9 per cent. Mr. Hawley proposed to apply his policy of high dividend payments to his new acquisition. The increased dividends would have come in handy in meeting the interest on the \$20,000,000 convertible bonds sold for the purpose of acquiring the Hocking Valley and other roads, but the Court has prevented the retirement of the preferred and it is highly improbable that the receivers, even if they declared the customary dividends, will accede to Mr. Hawley's wishes in increasing the disbursements.

"Any way you look at it," remarked a railroad man of ample experience with receivership roads, "it isn't pleasant to have a property run by people you don't know and haven't an influence with. You never can tell what shape the property will be in when you get it back."

A computation of the additional expense to the railroads from increases in wages already allowed placed the amount at \$30,000,000. The computation included \$3,000,000 more for the Eastern roads. In addition it was estimated that demands under adjudication would result in an increase aggregating between \$25,000,000 and \$35,000,000, or a grand total of \$80,000,000 to \$90,000,000.

The London market opened after the Whitsuntide holidays. American stocks were slightly below Monday's New York close, but the trading in all departments was very light and represented little or nothing. It is not expected that London's transactions will figure at all influentially until after the funeral of the King on Friday.

A misunderstanding regarding the dividend on Wisconsin Central preferred was explained by the transfer agents of the company. The dividend, announced on Monday, they said, was not to be construed as a quarterly dividend, but simply as a dividend payable out of surplus earnings accumulated prior to January 1, 1910. They pointed out that with the exception of the corporations were fighting the taxes all over the State.

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## BOGUS COTTON BILLS FIGURE

RECEIVER OF CORINTH FIRM ENJOINS NEW YORK CONCERNS.

Steele, Miller & Co. Halted \$5,000,000 or More on Fraudulent Bills of Lading and That Stephen M. Wald & Co. Got Ahead of Other Creditors.

A bill of complaint was filed yesterday in the United States District Court at New York City, charging that Steele, Miller & Co., bankers and brokers, 82 Beaver street, this city, and the New York Dock Company, the bill charges that Wald & Co. secured an unlawful preference to the detriment of other creditors. Judge Hazel issued an injunction restraining Stephen M. Wald & Co. from disposing of the litigation of any securities, cotton, etc., in its possession which came from Steele, Miller & Co. The New York Dock Company is also restrained from disposing of any of the cotton delivered to it by the Corinth firm for Wald & Co.

The complaint charges that "for a week prior to the filing of the petition in the creditors' bill and the petition in bankruptcy the firm of Steele, Miller & Co. procured by fraudulent and bogus bills of lading a vast sum of money from creditors in Germany, France, Russia and Italy in New York City."

The receiver of the firm of Steele, Miller & Co. is charged with the duty of recovering the exact amount of either the fraudulent bills of lading or the number of bales of cotton or the amount of money represented by the cotton cannot be accurately ascertained at this time, but it is believed that the money procured in this way will be found to amount to between \$5,000,000 and \$10,000,000.

Receiver Pyle states that this large sum of money was never represented by any cotton at all nor was there any effort on the part of Steele, Miller & Co. to ship the cotton for which the money was paid. It is charged that drafts were drawn with forged bills of lading and that the money was used to represent so many bales of cotton and so much money of persons in this city and in France, Spain, Germany and Russia.

The receiver also says that he will further show that Stephen M. Wald & Co. claimed to be creditors of Steele, Miller & Co. on an amount unknown to him and that on May 2, 1910, four days before his appointment, the Walds received from the latter firm telegraphed to Wald & Co. to send a representative of their firm to Corinth at once. In compliance with this communication, George W. Neville and a representative of the Walds were sent to Corinth and having been advised of the insolvent condition of the Steele-Miller firm Neville procured from them a large number of securities, consisting of bonds, stocks, notes, accounts, etc., to the approximate value of \$500,000.

The complaint states that Wald & Co. also prevailed on Steele, Miller & Co. to ship them a large quantity of cotton from Memphis, Tenn.; Corinth, Miss.; Greenville, S. C., and other points after having repeatedly called on them for additional collateral. This was done, and the Walds received from Steele, Miller & Co. a preference and advantage over other creditors of Steele, Miller & Co. These shipments, according to the complaint, amounted to several hundred bales of cotton, in large quantities of which the possession of either Wald & Co. or the New York Dock Company. Besides the cotton already shipped, the complaint says, there are several hundred bales of cotton in the hands of the Walds, and it is an effort on their part to gain a preference over other creditors."

## KNICKERBOCKER TRUST WINS.

Court of Appeals Holds It Free From Paying Cuban Railroad Loans.

ALBANY, May 17.—The Knickerbocker Trust Company of New York won out in the Court of Appeals to-day in the action brought against it by the Havana Central Railroad Company of Cuba, in which was involved the responsibility of a banking institution to receive on deposit and pay out on checks moneys belonging to a corporation, the checks being made out by an officer of such corporation.

In 1906 the railroad through its treasurer, C. W. Van Voorhis, had an account with the Central Trust Company of New York, checks upon which were to be drawn when signed by Van Voorhis, treasurer of the Havana Central Railroad Company. Van Voorhis signed checks upon this account aggregating \$50,000 and indorsed the same and deposited them in an account in New York City with the Knickerbocker Trust Company. Afterward Van Voorhis drew upon this account with the Knickerbocker until it was closed.

It is alleged that Van Voorhis used these funds for his own purposes without authority and that inquiry by the trust company would have shown that Van Voorhis was wrongfully converting such moneys to his own use. The Knickerbocker Trust Company was legally obligated to repay such moneys to the Havana Central Railroad Company.

This view of the case was taken by the lower courts and judgment for \$50,000 was given, which judgment the Court of Appeals to-day reversed. Judge Willard Bartlett, writing the opinion. In his opinion the judge said that when the Knickerbocker caused the three checks to be presented to the Central Trust Company for payment it made all the inquiry demanded of it.

Judge Bartlett said that the Central Trust Company was the agent of the Havana Central Railroad Company to determine whether the checks in controversy were properly payable or not and that to the right of the Havana Central Railroad Company to recover the proceeds of the checks in question. The case has attracted wide attention in financial circles, affecting vitally the procedure in common law.

The decision says that the railroad company's complaint did not state a sufficient cause of action, but the company has the right to serve an amended complaint within twenty days on payment of costs.

Wants an Accounting as Partner.

Judge Whitney of the Supreme Court has appointed Charles Goldzieher receiver of the partnership property of Neiman & Wood, café and restaurant, 19 Ann street, New York City, in the suit brought by Charles A. Wood against Arthur Neiman for a dissolution of partnership and an accounting. The purchase price of the business it is said was \$10,000, and Mr. Neiman put up all the money, while Mr. Wood worked in the place and did not put in any capital. He now wants his interest in the business determined.

## Value of the Third Avenue.

One of the witnesses called at the hearing yesterday by the Public Service Commission on the plan submitted by the New York City Railway Company for the reorganization of the system was E. G. Connetie, the commission's transportation engineer, who testified that as a result of appraisals he had of the property at \$37,500,000. He testified that to reproduce the system anew and get it started as a going concern would cost \$42,850,000.

## To Build a French Works in Canada.

SOUTH BRITAIN, Ind., May 17.—The Olivers of this city are to build a plough and agricultural machinery plant at Hamilton, Ont., to supply the Canadian and foreign trade.

## By Marconi Wireless.

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## COLUMBUS &amp; ROCKING COAL &amp; IRON COMPANY.

To the Holders of First Mortgage \$5,000,000 Preferred Stock, Common Stock.

Receivers having been appointed of the property of the above corporation, bondholders and stockholders to a very large amount believe that it is necessary to have the interests of all security holders, and have accordingly organized as a Committee to take charge of the property of the company, under an agreement dated May 12, 1910.

The Committee hopes to be able to announce a plan of reorganization of debt adjustment, and to proceed with the liquidation of the company, any holder of a certificate of deposit who has been issued with such plan may withdraw the same and receive payment of the principal share of the expenses therefrom incurred by the Committee for its services, for which, in that event, no charge will be made.

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## Banco Internacional e Hipotecario de Mexico

Fifty-second regular drawing of the Six Per Cent Mortgage Bonds to be redeemed, held in Mexico April 29, 1910.

FOR 1000 PESOS EACH.

135	800	200	1842	3007	8222	6317
136	801	801	1843	3008	8223	6318
137	802	802	1844	3009	8224	6319
138	803	803	1845	3010	8225	6320
139	804	804	1846	3011	8226	6321
140	805	805	1847	3012	8227	6322
141	806	806	1848	3013	8228	6323
142	807	807	1849	3014	8229	6324
143	808	808	1850	3015	8230	6325
144	809	809	1851	3016	8231	6326
145	810	810	1852	3017	8232	6327
146	811	811	1853	3018	8233	6328
147	812	812	1854	3019	8234	6329
148	813	813	1855	3020	8235	6330
149	814	814	1856	3021	8236	6331
150	815	815	1857	3022	8237	6332
151	816	816	1858	3023	8238	6333
152	817	817	1859	3024	8239	6334
153	818	818	1860	3025	8240	6335
154	819	819	1861	3026	8241	6336
155	820	820	1862	3027	8242	6337
156	821	821	1863	3028	8243	6338
157	822	822	1864	3029	8244	6339
158	823	823	1865	3030	8245	6340
159	824	824	1866	3031	8246	6341
160	825	825	1867	3032	8247	6342
161	826	826	1868	3033	8248	6343
162	827	827	1869	3034	8249	6344
163	828	828	1870	3035	8250	6345
164	829	829	1871	3036	8251	6346
165	830	830	1872	3037	8252	6347
166	831	831	1873	3038	8253	6348
167	832	832	1874	3039	8254	6349
168	833	833	1875	3040	8255	6350
169	834	834	1876	3041	8256	6351
170	835	835	1877	3042	8257	6352
171	836	836	1878	3043	8258	6353
172	837	837	1879	3044	8259	6354
173	838	838	1880	3045	8260	6355
174	839	839	1881	3046	8261	6356
175	840	840	1882	3047	8262	6357
176	841	841	1883	3048	8263	6358
177	842	842	1884	3049	8264	6359
178	843	843	1885	3050	8265	6360
179	844	844	1886	3051	8266	6361
180	845	845	1887	3052	8267	6362
181	846	846	1888	3053	8268	6363
182	847	847	1889	3054	8269	6364
183	848	848	1890	3055	8270	6365
184	849	849	1891	3056	8271	6366
185	850	850	1892	3057	8272	6367
186	851	851	1893	3058	8273	6368
187	852	852	1894	3059	8274	6369
188	853	853	1895	3060	8275	6370
189	854	854	1896	3061	8276	6371
190	855	855	1897	3062	8277	6372
191	856	8				